

Utilities Service Board Regular Meeting

5/4/2026

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Call to Order

Board President – White called the regular meeting of the Utilities Service Board to order at 5:02 p.m. The meeting took place in the Utilities Service Boardroom at the City of Bloomington Utilities Service Center, 600 East Miller Drive, Bloomington, Indiana.

Board members present: Kirk White, Molly Stewart, Seth Debro, Amanda Burnham, Megan Parmenter, Graham McKeen, Jim Sherman, Matt Flaherty

Board members absent: David Hittle

Staff present: Katherine Zaiger, Matt Havey, James Hall, Ginger Davis, Kelsey Thetonia, Daniel Hudson, Shane Ira, Tony Eads, Chris Wheeler (Zoom)

Guests present: None.

Petitions and Communications: None

Minutes

Stewart moved, and Sherman seconded the motion to approve the Regular Meeting minutes of the 4/20/2026 meeting with corrections. Motion carried, seven ayes.

Claims

Stewart moved, and Sherman seconded the motion to approve the Standard Invoices:

Invoices included \$311,899.10 from the Water Fund, \$199,135.59 from the Wastewater Fund, \$37,898.05 from the Wastewater Construction Fund, and \$31,573.04 from the Stormwater Fund.

Board Member – Parmenter inquired about the City of Bloomington fuel charge listed on page three, asking how fuel pricing is determined, particularly in light of recent increases in gas prices. Parmenter questioned whether the rate is based on the timing of fuel deliveries or averaged over a period. Assistant Director - Finance – Havey responded that fuel usage is tracked by badge number but was uncertain how the specific pricing structure is calculated. Parmenter requested that staff follow up to determine how the fuel charge is established.

Parmenter asked about the line item for Environmental Systems Research Institute (ESRI) – Small Government Enterprise Subscription. CBU Director – Zaiger clarified that ESRI refers to CBU's Geographic Information System (GIS) software.

Parmenter requested clarification regarding the Stantec Contract Revision No. 2 for Water Rate Design line item. Havey explained that the water rate case involves multiple components:

- A revenue requirement analysis conducted by a consulting firm (Crow), which determines the total funding needed.
- A cost-of-service study performed by Stantec, which allocates how those costs are distributed among customers.

Havey further clarified that the invoice reflects Stantec's ongoing work supporting the rate case and providing justification for the revenue requirements.

Board Member –McKeen asked about whether alcohol testing expenses relate to Commercial Driver's License (CDL) requirements. Havey confirmed that the testing is associated with such requirements.

McKeen also asked if CBU recovers costs associated with outflow sampling from the entities being tested. Assistant Director - Environmental – Thetonia confirmed that those costs are recovered.

Motion carried, seven ayes. Total claims approved: \$580,505.78

Stewart moved, and Sherman seconded the motion to approve the Utility Bills:

Invoices included \$6,909.72 from the Water Fund, \$12,186.98 from the Wastewater Fund, and \$855.64 from the Stormwater Fund.

Motion carried, six ayes. Total claims approved: \$19,952.34

Stewart moved, and Sherman seconded the motion to approve the Wire Transfers, Fees, and Payroll:

Motion carried, seven ayes. Total claims approved: \$667,091.43

Stewart moved, and Sherman seconded the motion to approve Customer Refunds:

Invoices included \$5.77 from the Water Fund and \$2,581.24 from the Wastewater Fund.

Motion carried, seven ayes. Total claims approved: \$2,587.01

Stewart moved, and Sherman seconded the motion to approve the Special Check Run:

Invoices included \$5,699.90 from the Water Fund and \$12,086.16 from the Wastewater Fund.

Parmenter noted the charges were labeled as taxes and asked whether they represented property taxes on the referenced locations. Havey clarified that the charges are stormwater fees

associated with specific sites located in the county, not property taxes. Staff explained that the fees are labeled as taxes because they are typically billed alongside property taxes, although CBU does not pay property taxes directly.

Motion carried, seven ayes. Total claims approved: \$17,786.06

Consent Agenda:

CBU Director – Zaiger presented the following items recommended by staff for approval:

- a. Commercial Service of Bloomington, Inc., \$5,125.00, Main building server room mini-split replacement at Monroe Water Plant
- b. Koorsen Fire & Security, \$3,175.00, Annual plant equipment inspections at Blucher, Dillman and Monroe
- c. First Appraisal Group, Inc., NTE \$15,000, Appraisal of easements for six properties associated with the Dillman Relief Sewer project

Consent Agenda was approved as recommended by staff. Total approved: \$23,300.00 (non-chemical contracts)

Request Approval of Service Agreement with Electric Plus, Inc. (Monroe)

Capital Project Manager – Hudson presented on behalf of Assistant Director - Operations – Ortiz Sanchez. Hudson explained that approximately one year ago CBU entered into a contract for maintenance of large high-voltage and medium-voltage electrical equipment, which includes removing and cleaning breakers, testing equipment functionality, and reinstalling components, all of which requires shutting down portions of the plant. Hudson stated that staff determined it was important to maintain operation of the utility's servers and laboratory during the shutdown period to ensure continued data collection and hourly laboratory analysis. Hudson explained that the proposed work would involve hiring Electric Plus to connect an existing portable generator borrowed from T&D to power the servers and laboratory. Hudson further explained that CBU plans to rent a portable generator to operate one of the pumps, which will help preserve adequate system pressure and avoid the need for boil water notices. Board Member – White commented that the timing appeared favorable due to reduced water usage following the end of the IU semester and asked whether the tanks would be topped off in case there were issues. Monroe Water Plant Superintendent – Ira confirmed that after IU graduation, there is a lull in water usage for about two weeks; usage begins to pick up again when people start to fill up their pools for Memorial Day. White asked how long CBU could maintain adequate water supply from storage tanks alone. Ira responded that the distribution system generally has approximately six hours of storage capacity while maintaining fire suppression levels above the required threshold. Ira noted that the planned maintenance is expected to last only three hours. Ira further explained that, with the generator powering Pump Five, CBU would still be capable of pumping approximately eight million gallons of water during the outage period. McKeen asked whether failing to operate the pump during the shutdown would likely result in pressure dropping below 20 PSI. Ira stated that the system pressure would likely come very close to that

threshold, which was sufficient concern to justify the proposed generator solution. Ira added that an alternative approach involving overnight work by the maintenance contractor would have added approximately \$15,000 to the project cost. McKeen asked when the outage was planned for. Ira said it was scheduled for next Tuesday, May 12th. White asked whether the Fire Department had been notified of the outage, and Zaiger responded that she had emailed them that morning. Ira noted that staff would also monitor tank levels closely throughout the process.

Stewart moved, Sherman seconded to approve the Service Agreement with Electric Plus, Inc. Motion carried, seven ayes.

Request Approval of Amendment Number 1 with Wessler Engineering

Hudson presented an amendment related to the Xylem project presented at the last USB meeting, which involved replacement of devices in the flight pumps. Mr. Hudson explained that completion of the overall project requires three separate contracts: one with Xylem, one with Wessler Engineering, and one with Electric Plus. Hudson stated that the portion involving Wessler Engineering includes integration of operational data into the plant's SCADA system and historian. Hudson noted that Wessler is already working on SCADA improvements at the headworks facility and that the proposed amendment would expand that work. Hudson explained that Wessler Engineering requested an additional \$33,000, increasing the contract amount to a not-to-exceed total of \$288,000.

Stewart moved, Sherman seconded to approve Amendment Number 1 with Wessler Engineering. Motion carried, seven ayes.

Request Approval of Service Agreement with Electric Plus, Inc.

Hudson presented the agreement with Electric Plus, which is related to the Xylem agreement and the just-presented Wessler Engineering amendment. Hudson explained that Electric Plus would be responsible for the conduits and wiring parts of the project.

Stewart moved, Sherman seconded to approve the service agreement with Electric Plus, Inc. Motion carried, seven ayes.

Request Approval of Service Agreement with Thermo Electron North America, LLC.

Thetonia presented a service agreement with Thermo Electron, explaining that it's a contract for basic maintenance of CBU's ICP-MS instrument in the lab, which is used for lead testing water. Thetonia confirmed that the instrument is only used for lead testing at the moment, and that the lead testing is connected to the lead service line project.

Stewart moved, Sherman seconded to approve the service agreement with Thermo Electron North America, LLC. Motion carried, seven ayes.

Request Approval of Resolution 2026-11 to Designate Surplus Property for Auction

Havey presented Resolution 2026-11, stating that there was a filing cabinet up for surplus property designation.

Stewart moved, Sherman seconded to approve Resolution 2026-11. Motion carried, seven ayes.

Request Approval of MOU between CBU and Department of Public Works for Utility Infrastructure Repairs

Zaiger presented a proposed memorandum of understanding (MOU) between the City of Bloomington Utilities (CBU) and the City's Department of Public Works (DPW). Zaiger explained that the agreement is a renewal of an arrangement established the previous year in which CBU provides funding for four full-time DPW positions that perform follow-up repairs associated with utility maintenance work.

Zaiger stated that the positions support restoration work following utility repairs, including paving, curb work, and related infrastructure restoration after water main breaks and water main replacements. Zaiger noted that the arrangement has proven mutually beneficial.

Zaiger further explained that DPW Streets Division recently began using Cityworks to track employee hours. Although a full year of data is not yet available, the tracking completed thus far indicates that the majority of the four positions' time has been spent performing follow-up work related to CBU infrastructure repairs.

Board Member – Burnham asked why the positions were not established directly within CBU if the utility was fully funding the salaries and benefits. Zaiger responded that the positions primarily perform paving and restoration work rather than utility repair work itself. Zaiger explained that DPW already possesses the specialized equipment and assumes responsibility for maintaining and replacing that equipment, which avoids those costs and responsibilities for CBU. Burnham asked whether CBU fully funds all four positions. Zaiger confirmed that CBU currently funds all four full-time positions. Burnham stated that once a complete year of tracking data is available, the Board should review the proportion of time the positions spend on CBU-related work and consider whether future funding should be based on a percentage allocation rather than full funding. Burnham emphasized that utility ratepayer funds should be evaluated carefully and suggested that, if the positions are not performing CBU work 100% of the time, a portion of the costs could potentially be shared with Public Works. Zaiger

acknowledged the concern and stated that preliminary estimates indicate the positions spend approximately 80% of their time on CBU-related work. Zaiger added that the value of the arrangement should also account for the savings associated with equipment ownership, maintenance, and operational efficiencies.

White commented that having DPW complete the restoration work ensures repairs consistently meet City standards, avoiding concerns that could arise if the work were completed independently by utility crews.

Board Member – Stewart asked how the work had been handled prior to the agreement with DPW. Assistant Director - T&D – Hall explained that utility crews previously attempted to return and complete restoration work while also performing ongoing water main replacement projects. Hall stated that the current arrangement has improved efficiency and reduced customer complaints regarding restoration timing because DPW now manages the follow-up repair process directly. Hall added that the agreement allows utility crews to continue focusing on water main replacement work without interruption or the need to add additional crews.

Stewart moved, Sherman seconded to approve the MOU between CBU and DPW. Motion carried, seven ayes.

Request Approval of MOU between CBU and Retreat at The Switchyard

Havey presented a proposed memorandum of understanding related to the Retreat at Switchyard development, an affordable housing project located near Miller Drive and Walnut Street. Havey explained that, as with other developments connecting to the sewer system, the project was assessed a sewer connection fee based on the proportional impact the development would have on system infrastructure and capacity.

Havey stated that the sewer connection fee for the development totaled slightly more than \$50,000. Havey explained that the developer initially believed the fee could be waived because the project involved affordable housing. However, after review of City statutes, CBU determined that connection fee waivers are permitted only for single-family residences.

Havey further explained that the developer communicated financial and operational challenges associated with the project. Following discussions, CBU proposed allowing the developer to pay the connection fee over a five-year period with no interest. The memorandum of understanding was intended to formalize that agreement.

White noted that the proposal had previously been discussed by the Finance Subcommittee and requested a report from the subcommittee. Board Member – Sherman reported that the Finance Subcommittee recommended approval of the agreement with an additional amendment requiring that, if the property were sold during the five-year repayment period, any remaining balance owed to CBU would become due in full at closing.

White suggested that the item be tabled, returned to legal counsel for preparation of updated language, and brought back to the Board at the next meeting.

Board voted unanimously to table the MOU and review at the next USB meeting with updated language from City Legal.

Old Business: None

New Business:

Parmenter thanked staff for previously distributing a press release regarding the bulk water station outage. Parmenter noted surprise that the issue involved a payment system failure rather than a mechanical failure and asked why repairs were not expected until 2027. Parmenter also requested information regarding station usage and the current workaround for customers needing bulk water access. Havey explained that the issue involves replacement of the station's credit card reader and payment processing system. Havey stated that the current service provider required credit card fees to flow through the utility in a manner determined to be unacceptable by legal counsel. As a result, CBU sought alternative vendors. Havey stated that the estimated cost to replace and update the system is approximately \$18,000. Given current financial conditions and ongoing water utility rate case considerations, CBU determined it would be preferable to defer the expense. Havey reported that annual revenue from the bulk water station was approximately \$3,000 the previous year, though customers still rely on the service. As a temporary solution, customers may obtain water through the use of hydrant meters. Parmenter asked whether information regarding the temporary process was posted publicly for customers arriving at the station. Havey confirmed that signage indicates the station is out of order and stated that the press release referenced the hydrant meter alternative. Havey was uncertain whether the on-site signage specifically directed customers to additional contact information.

Subcommittee Report:

Sherman provided a report from the Finance Subcommittee, stating that, in addition to the previously discussed memorandum of understanding item, the committee received a presentation from Havey regarding CBU's 2025 finance report.

Sherman explained that the presentation included information regarding utility revenues, expenses, active projects, and available assets. Sherman stated that the committee found the presentation highly informative and beneficial in preparation for future budget discussions.

Sherman further reported that Havey intends to provide similar financial summary presentations on a quarterly basis moving forward so the Board can regularly review revenues, expenditures, and project status. Sherman added that they were impressed by how closely actual financial

performance aligned with the projected budget and commended the staff for their budgeting efforts.


Staff Reports:

Zaiger congratulated Madison Abel on earning her Class I Wastewater License.

Petitions and Communications: None.

Adjournment:

White adjourned the meeting at 5:42 pm.

Signed by:

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Kirk White, President

5/19/2026

Date